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BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE COMPANY
FOR A HEARING TO DETERMINE THE
FAIR VALUE OF THE UTILITY PROPERTY
OF THE COMPANY FOR RATEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURNS, AND FOR APPROVAL OF
PURCHASED POWER CONTRACT.

DOCKET NO. E-01345a-03-0437

Arizona Corporation Commission
DOCKETED

NOV - 8 2004

DOCKETED BY	<i>CR</i>
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Summary Testimony of

Sean Seitz

Arizona Solar Energy Industries Association

November 8, 2004

Regarding the Proposed Settlement of

Docket No. E-0134A-03-0437

Arizona Public Service Company

Request for Rate Adjustment

AZ CORP COMMISSION
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1 The purpose of this summary filing is to respond to Commissioner Kris Mayes
2 request dated October 29, 2004, that parties provide specific comparison
3 between the party's settlement position on all significant issues addressed
4 by the party and the party's settlement position taken on these same
5 significant issues. Further, that the parties provide a specific explanation
6 of why any change in the party's settlement position on each issue is in the
7 public interest.

8
9 My direct testimony filed September 27, 2004 stated ArISEIA's objectives
10 during settlement negotiations. ArISEIA believes the EPS was adopted
11 following a comprehensive, open and full evidentiary hearing process. It was
12 reaffirmed in 2004 when its full implementation was ordered. Therefore,
13 ArISEIA considers it vital that the results of a closed APS rate settlement
14 negotiation do not nullify the EPS requirements nor degrade its
15 implementation and that, where possible, it should enhance implementation of
16 the EPS.

17
18 The following is a comparison between ArISEIA's stated objectives, our
19 settlement position and an explanation of any change:

20
21 **First:** That there be no conditions placed in the settlement either to
22 funding amounts or to implementation requirements that would override the
23 EPS provisions as adopted by the Commission. This objective was met.

24
25 **Second:** That the settlement address the funding shortfall projected by APS
in its implementation of the EPS. Although the proposed settlement

1 agreement does not provide for specific funding level increases such as the
2 cap increase recommended by staff in its direct testimony (see Keene
3 testimony page 17) and supported by AriSEIA, Paragraph 64 of the proposed
4 settlement agreement does provide a process for APS to request the
5 additional funds.

6
7 **Third:** That no barriers be placed in the settlement that would effectively
8 limit any subsequent modification of the EPS, particularly as it relates to
9 the solar energy requirements or funding the EPS. This objective was met.
10 Paragraph 63 of the proposed settlement agreement deals with collection of
11 funds between customer classes and does not impact solar requirements or
12 funding totals.

13
14 Accordingly, AriSEIA supports the proposed Arizona Public Service Company
15 rate settlement agreement.